



**MEMORANDUM**  
OFFICE OF THE  
**COUNTY EXECUTIVE OFFICE**  
COUNTY OF PLACER

TO: Honorable Board of Supervisors

FROM: Thomas Miller, County Executive Officer  
By: Linda Oakman, Principal Management Analyst

DATE: March 8, 2011

SUBJECT: Presentation of Library Services Financial Status

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**REQUEST**

That your Board receives a presentation regarding Placer County Library budget and economic challenges facing the Library.

**BACKGROUND**

The Library Services Department manages and funds 11 County libraries and a Bookmobile and provides administrative services for the Law Library. In recent years, the Library system has benefited from some capital improvements funded with **one-time dollars** specifically set aside in past years for Capital Facilities improvements including a new Rocklin Library and remodels in Colfax, Foresthill, and Loomis.

The Library is funded by a combination of Property Taxes, General Fund, and State Library revenues among others. Over the past two years, the Library Property Tax revenue has declined by a total of \$400,000 or 10% with an additional decline of \$87,000 projected for the coming fiscal year. In addition, the State Library funding has been flat and is totally eliminated in the Governor's January budget resulting in additional funding reductions of \$86,000 in the FY 2011-12 budget for a total impact of \$173,000 or 3.4% of revenue. With these continuing revenue reductions it is becoming increasingly difficult to maintain existing services.

**DISCUSSION**

Over the past two years, Library operating costs have been reduced by leaving funded positions vacant in accordance with the Board adopted hiring freeze and other Board directed savings.

In addition, service hours were reduced in Auburn and Rocklin which allowed the Library to move to a single shift model, avoiding having to stagger employees to cover 10 hour shifts.

The most significant savings have been generated by reducing the materials budget which is the lowest in 20 years. This has an impact on the Library's ability to provide patrons with newly released books and other media. The materials' budget is one of the few expenses in the Library appropriation that is somewhat discretionary. Our Library system has been fortunate to have Friends groups in each branch who have generously donated funds for materials and other needs to supplement our declining materials budget.

A self checkout system was installed in the new Rocklin library with a potential to reduce staffing needs. Thus far, patrons have indicated that it is successful.

The Library applied for and received e-rate for telecommunications. This is a special reduced rate that applies to schools and libraries and is generating savings of approximately \$30,000 per year.

While these actions have reduced operating costs and enabled the Library to continue to provide services at a high level, service reductions may be required in order to absorb these new decreases in revenues.

### **FISCAL IMPACT**

There is no fiscal impact associated with this presentation.

Attachment: Summary of Financial Information for the Library appropriation